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PLAINTIFFS	DEFENDANTS
AĞUSHNET COMPANY	DUNLOP MAXFLI SPORTS CORPORATION
(b) COUNTY OF RESIDENCE OF FIRST LISTED PLAINTIFF (EXCEPT IN U.S. PLAINTIFF CASES)	COUNTY OF RESIDENCE OF FIRST LISTED DEFENDANT (IN U.S. PLAINTIFF CASES ONLY) NOTE: IN LAND CONDEMNATION CASES, USE THE LOCATION OF THE TRACT OF LAND INVOLVED.
(C) ATTORNEYS (FIRM NAME, ADDRESS, AND TELEPHONE NUMBER) William J. Wade, Esquire Richards, Layton & Finger One Rodney Square P.O. Box 551 Wilmington, DE 19899 (302) 651-7718	ATTORNEYS (IF KNOWN) FILED FILED FILED
II. BASIS OF JURISDICTION (PLACE AN X IN ONE BOX ONLY) 1 U.S. Government (U.S. Government Not a Party) 2 U.S. Government (U.S. Government Not a Party) 4 Diversity (Indicate Citizenship of Parties in Item III)	III. CITIZENSHIP OF PRINCIPAL PARTIES (PLACEAN X IN ONE BOX (For Diversity Cases Only)) PTF DEF Citizen of This State
VI. ORIGIN (PLACE AN X IN ONE BOX ONLY) Transferred from Original Proceeding 1 Removed from 3 Remanded from Appellate Court Reopened (PLACE AN X IN ONE BOX ONLY) Transferred from another district (specify) Transferred from 5 Judge from Magistrate Judgment	
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DO NOT CITE JURISDICTIONAL STATUTES UNLESS DIVERSITY.) Patent infringement arising under the Patent Laws of the United States, Title 35, United States Code.	
VII. REQUESTED IN CHECK IF THIS IS A CLASS ACTION COMPLAINT: Under F.R.C.P. 23	DEMAND \$ CHECKYES only if demanded in complaint: JURY DEMAND: □ YES NO
VIII. RELATED CASE(S) (See instructions): IF ANY Judge Docket Number	
FOR OFFICE USE ONLY	

RECEIPT #____ AMOUNT ____ APPLYING IFP___ JUDGE ____ MAG. JUDGE ____

IN THE UNITED STATES DISTRICT COURT FOR THE DISTRICT OF DELAWARE

ACUSHNET COMPANY

Plaintiff.

V.

DUNLOP MAXFLI SPORTS CORPORATION.

Defendant.

Civil Action No.:

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COMPLAINT

Plaintiff, Acushnet Company, by its undersigned attorneys, as and for its complaint against defendant, Dunlop Maxfli Sports Corporation, alleges as follows:

NATURE OF ACTION

1. This is a civil action for patent infringement arising under the Patent Laws of the United States, Title 35, United States Code.

THE PARTIES

- 2. Plaintiff, Acushnet Company ("Acushnet"), is a corporation organized and existing under the laws of the State of Delaware, with a principal place of business at 333 Bridge Street, Fairhaven, Massachusetts. Acushnet is a leading manufacturer of golf equipment, including golf balls, golf shoes and golf clubs.
- 3. Defendant, Dunlop Maxfli Sports Corporation ("Dunlop"), upon information and belief, is a corporation organized and existing under the laws of the State of Delaware, with a

RLF3-1079548-1

principal place of business at 728 N. Pleasantburg Dr., Greenville, South Carolina. Dunlop manufactures and sells golf equipment, including golf balls and golf clubs.

JURISDICTION AND VENUE

- 4. This Court has jurisdiction over this action under 28 U.S.C. § 1338(a).
- 5. Venue is proper in this Judicial District pursuant to 28 U.S.C. §§ 1400(b) and 1391(c) as the defendant is incorporated in this Judicial District and the unlawful acts of defendant complained of herein have been committed by defendant within this Judicial District and/or have had effect in this Judicial District.

BACKGROUND RELATING TO DUNLOP'S INFRINGEMENT OF ACUSHNET'S POLYURETHANE PROCESS PATENT

- 6. Acushnet manufactures and sells polyurethane covered golf balls under the trademark "Titleist Professional." These golf balls are manufactured by forming a liquid filled center, winding elastomeric thread around the center, applying a thin latex coating over the windings and then casting a spherical polyurethane cover over the coated windings.
- 7. Acushnet had begun researching how to make polyurethane covered golf balls prior to August 1988 when it hired Mr. John Calabria as a Senior Project Manager to assist in further polyurethane cover development work. Between 1988 and 1995, Mr. Calabria worked almost exclusively in the polyurethane cover development and manufacturing program. Acushnet introduced its first polyurethane covered golf balls into the Japanese market in April 1993 and into the United States market in August 1993. Acushnet presently continues to manufacture and sell such golf balls.
- 8. During his employment by Acushnet, Mr. Calabria participated in a number of inventions relating to polyurethane covered golf balls and their manufacture. Mr. Calabria also

-2-

assisted legal counsel for Acushnet in the preparation and prosecution of patent applications relating to the polyurethane covered golf balls and their manufacture.

- On March 31, 1998, the United States Patent and Trademark Office 9. ("USPTO") granted Mr. Calabria, et al. United States Patent No. 5,733,428 ("the '428 patent"), entitled "Method for Forming Polyurethane Cover on Golf Ball Core." (Exh. A).
- The '428 patent is assigned to Acushnet pursuant to an assignment agreement 10. recorded with the USPTO.
 - In July 1995, Mr. Calabria resigned from Acushnet. 11.
- Upon information and belief, in July 1995, Mr. Calabria became employed 12. by Dunlop, where he assisted in the development and manufacture of polyurethane covered golf balls.
- Upon information and belief, in 1997, Dunlop introduced two polyurethane 13, covered golf balls into the U.S. market under the trademarks "Maxfli Revolution" and "Maxfli HT".
- Upon information and belief, Dunlop is currently selling the Revolution and 14. HT golf balls in violation of and without license under the '428 patent.
- Upon information and belief, Dunlop is currently selling or offering to sell 15. polyurethane covered golf balls to David Geoffrey & Associates, d/b/a Slazenger Golf USA to be sold under the trademark "Slazenger 420 Select" in violation of and without license under the '428 patent.

BACKGROUND RELATING TO DUNLOP'S INFRINGEMENT OF ACUSHNET'S RUBBER CORE PROCESS PATENT

Acushnet manufactures and sells golf balls with a solid rubber core under the 16. trademark "Titleist HP2 Tour," "Titleist HP2 Distance," "Titleist DT Two Piece" and "Pinnacle." These rubber cores are manufactured by forming preps of a rubber composition, placing the preps -3-RLF3-1079548-1

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into the lower mold cavity of a two-piece spherical mold and compression molding the preps into spherical golf ball cores.

- One of the problems traditionally encountered with compression molding is 17. that the cores have a tendency to stick in both the upper and lower molds. Acushnet solved this problem by designing the lower mold half to be greater than a hemispherical dimension, such that the cores would remain in the lower mold half until ejected by an ejection pin located within the lower mold half.
- On June 21, 1983, the USPTO granted Peter Kudriavetz a patent on this 18. process, United States Patent No. 4,389,365 ("the '365 patent"), entitled "Method and Apparatus for Stripping Molded Round Articles from Mold." (Exh. B).
- The 365 patent is assigned to Acushnet pursuant to an assignment agreement 19. recorded with the USPTO.
- In December 1986, Mr. Lauro Cadorniga was hired by Acushnet as Project 20. Engineering Manager of Golf Ball Product Development. During his employment with Acushnet, Mr. Cadorniga observed the above procedure for the production of various Acushnet golf balls.
 - In March 1989, Mr. Cadorniga resigned from Acushnet. 21.
- Upon information and belief, in March 1989, Mr. Cadorniga became 22. employed by Dunlop, where he assisted in the development and manufacture of solid rubber core golf balls.
- 23. Acushnet received an anonymous letter dated September 26, 1998 (Exh. C) disclosing that Dunlop was manufacturing solid rubber core golf balls in "violation" of the '365 patent.

- Upon information and belief, Dunlop is currently selling or offering to sell 24. solid rubber core golf balls in violation of and without license under the '365 patent, including, but not limited to, golf balls sold under the following trademarks: "Maxfli XS Tour 90", "Maxfli XS Tour 100", "Maxfli XS Distance 90", "Maxfli XS Distance 100", "Maxfli MD Tungsten 80", "Maxfli MD Tungsten 90", "Maxfli MD Tungsten 100" and various balls under the "Dunlop" trademark.
- Upon information and belief, Dunlop is currently selling or offering to sell 25. solid rubber core golf balls to David Geoffrey & Associates, d/b/a Slazenger Golf USA to be sold under the trademark "Slazenger 420d Raw Distance," "Slazenger 420t Tour Caliber" and "Slazenger 420p Power Control" in violation of and without license under the '365 patent.

COUNTI PATENT INFRINGEMENT OF THE '428 PATENT

Acushnet realleges and incorporates by reference paragraphs 1 through 25 as if fully set forth herein.

- Upon information and belief, Dunlop has infringed and continues to infringe 26. the '428 patent in this Judicial District and elsewhere in the United States, by making, using, offering for sale and/or selling polyurethane covered golf balls that are made according to the method covered by the claims of the '428 patent, including, but not limited to, Dunlop's "Maxfli Revolution" and "Maxfli HT" golf balls.
- Upon information and belief, Dunlop has and continues to induce the 27. infringement of the '428 patent in this Judicial District and elsewhere in the United States, by making, using, offering for sale and/or selling polyurethane covered golf balls that are made

"Slazenger 420 Select" golf ball.

- 28. Upon information and belief, Dunlop's infringement of the '428 patent has been and continues to be willful, wanton and deliberate, without license and with knowledge of Acushnet's exclusive rights under the '428 patent.
- 29. The aforesaid acts of Dunlop have caused and will continue to cause irreparable injury to Acushnet, unless such acts are enjoined by this Court.

COUNT II PATENT INFRINGEMENT OF THE '365 PATENT

Acushnet realleges and incorporates by reference paragraphs 1 through 25 as if fully set forth herein.

- 30. Upon information and belief, Dunlop has infringed and continues to infringe the '365 patent in this Judicial District and elsewhere in the United States, by making, using, offering for sale and/or selling golf balls with a solid rubber core that are made according to the method covered by the claims of the '365 patent, including, but not limited to, the "Maxfli XS Tour 90," "Maxfli XS Tour 100," "Maxfli XS Distance 90," "Maxfli XS Distance 100," "Maxfli MD Tungsten 80," "Maxfli MD Tungsten 90," "Maxfli MD Tungsten 100" and "Dunlop" golf balls.
- 31. Upon information and belief, Dunlop has and continues to induce the infringement of the '365 patent in this Judicial District and elsewhere in the United States, by making, using, offering for sale and/or selling golf balls with a solid rubber core that are made according to the method covered by the claims of the '365 patent, including, but not limited to, the "Slazenger 420d Raw Distance," "Slazenger 420t Tour Caliber" and "Slazenger 420p Power Control" golf balls.

32. Upon information and belief, Dunlop's infringement of the '365 patent has been and continues to be willful, wanton and deliberate, without license and with knowledge of Acushnet's exclusive rights under the '365 patent.

WHEREFORE, Acushnet respectfully requests judgment as follows:

- (i) preliminarily and permanently enjoining and restraining Dunlop, its officers, directors, employees, agents, servants, successors and assigns, and any and all persons acting in privity or in concert with it, from further infringement of United States Patent No. 5,733,428;
- (ii) permanently enjoining and restraining Dunlop, its officers, directors, employees, agents, servants, successors and assigns, and any and all persons acting in privity or in concert with it, from further infringement of United States Patent No. 4,389,365;
- (iii) awarding Acushnet damages sufficient to compensate for defendant's infringement of said patents, and conducting an accounting to determine such damages;
 - (iv) increasing such damages up to three times the amount found or assessed;
- (v) awarding to plaintiff its costs and disbursements in this action, including reasonable attorneys' fees;
 - (vi) an assessment of pre- and post-judgment interest; and
 - (vii) granting such other and further relief as this Court may deem just and proper.

Date: December 17, 1998

William J. Wade (I.D. No. 704) Richards, Layton & Finger One Rodney Square P.O. Box 551 Wilmington, Delaware 19899

302-658-6541 Attorneys for Plaintiff Acushnet Company

OF COUNSEL:

Paul J. Zegger
Troy R. Lester
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1667 K Street, N.W.
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JOHN CALABRIA

741 SHEFWOOD DRIVE EASLEY, SC 29642 HOME (864) 306-9750 CELL (864) 420-6503 E-MAIL – JC12450@AOL.COM

EDUCATION

MASTER OF SCIENCE - MECHANICAL ENGINEERING - 1976 BACHELOR OF SCIENCE - ZOOLOGY AND CHEMISTRY - 1972 University of Massachusetts, Amherst, MA

PROFESSIONAL EXPERIENCE

Double Eagle Consulting, LLC 741 Shefwood Drive Easley, SC 29642

OWNER AND PRINCIPAL CONSULTANT - 2005

RESPONSIBILITIES: Engineering consultant to the golf industry working in the areas of tooling, manufacturing improvements, product enhancements, equipment design and intellectual property issues. Able to take on a wide range of assignments based on 20+ years working for major golf ball companies.

TaylorMade-adidas Golf 104 Hidden Lake Circle Duncan, SC 29334

HEAD OF GOLF BALL TECHNICAL OPERATIONS - 2003 to 2004

RESPONSIBILITIES: Interacted with various golf OEM ball vendors to produce new products. Acted as a liaison between R & D and the suppliers to explain product requirements, new material implementation/commercialization and provide two-way feedback between the groups. Conduct training seminars on ball performance and assist with product quality and supply chain requirements. Assist with development of intellectual property and interpretation of competitive patents as they relate to material use and process requirements. Interact with golf professionals to validate product performance.

ACCOMPLISHMENTS: Assisted with the development of six new golf ball products, two of which were my direct responsibility. Improved quality and reduced costs associated with implementation of these new products.

Dunlop Slazenger Group 100 Maxfli Drive Westminster, SC 29693

VICE PRESIDENT - GOLF R & D WORLDWIDE - 1995 TO 2003

RESPONSIBILITIES: Managed a diverse department of 22 associates tasked with the worldwide development effort for new golf products. This included management of intellectual property portfolio and development/defense of patents for new and

existing products. Focused on creation of new technologies, materials and processes to enhance existing product performance and deliver innovative, leading edge products to the customer. Worked with top PGA and LPGA Tour pros such as Jack Nicklaus, Greg Norman, Fred Couples and Se Ri Pak to gain validation for new products.

ACCOMPLISHMENTS: Provided leadership to a department that was not moving ahead by directing a complete overhaul of the process used to design new products. Created the platform for the Dunlop, Slazenger and Maxili brands to move to the forefront of golf ball technology and improve their relative leadership positions in the golf industry. One product, the Revolution golf ball, achieved the position as the best performing golf ball sold in the world. This was followed by the A¹⁰, which supplanted it as the best performing ball. Nationally recognized as an expert on golf ball performance and technology. Widely quoted in all of the leading golf magazines as well as TV and radio appearances. Received Maxfli Award of Inspiration, which was given by the Maxfli sales force to recognize dedication and leadership. Author of numerous patents and pending patents related to golf ball technology and process development.

> Titleist/FootJoy Worldwide 333 Bridge Street Fairhaven, MA 02719

SENIOR PROJECT MANAGER - URETHANE - 1993 - 1995

RESPONSIBILITIES: Supervised 70 associates and two professionals in the day-today activities required to produce the Titleist "Professional" golf ball. ACCOMPLISHMENTS: Designed and established a completely new process and manufacturing department, which evolved from a one shift, five-day week operation to a three shift, seven-day week operation over a one-year period. Developed and implemented a totally new pay program (skill-based pay) for all associates. Demand for the product outpaced capacity since its initial introduction and eventually achieved the #1 ball rating on the PGA Tour. Nationally recognized in the industry as the "father" of urethane golf balls. Author of five different patents covering products and processes related to the development and production of urethane covered golf balls.

SENIOR PROJECT MANAGER - R & D - 1988 - 1993

RESPONSIBILITIES: Supervised three professionals and two technicians in the design and implementation of new golf ball products/processes into production. ACCOMPLISHMENTS: Designed/developed process for a unique new golf ball and implemented into production. This product was entirely new to the golf ball industry and previous attempts by competitors to create a product of this type were unsuccessful. Promoted to head of manufacturing for this product.

> Tambrands, Inc. Palmer, MA 01069

SENIOR INDUSTRIAL ENGINEER - 1982 - 1988

RESPONSIBILITIES: Supervised one professional. Trained new personnel relative to products and processes. Designed/implemented new production

methods/processes for new products. Responsible for implementation and maintenance of MRP II inventory system from the bills of material side. Conducted feasibility studies on new products and acted as an in-house consultant to outside contract packagers.

ACCOMPLISHMENTS: Tripled production capacity for a new product to meet national debut. Developed Engineering Training manual for entry-level engineers. Assisted numerous outside vendors in improvement of production methods and capacity increases. Achieved over \$600K in cost savings related to process and material improvements.

Spalding Sports Worldwide Chicopee, MA 01013

MANAGER, INDUSTRIAL ENGINEERING - 1979 - 1982

RESPONSIBILITIES: Supervised engineers and technicians handling IE requirements for the factory. Coordinated the Productivity Improvement Program and controlled the wage incentive system for balls and clubs. Numerous other assignments such as packaging improvements, strategic planning, new material handling concepts and Quality Circle Leader Training.

ACCOMPLISHMENTS: Directly responsible for more than \$250K in cost savings involving packaging changes and labor improvements. Additional savings of \$120K achieved through development of proprietary assembly and handling techniques for golf clubs. Recipient of Questor Corp. award for management excellence.

Nissen Corporation Cedar Rapids, IA 52406

ASSISTANT DIRECTOR - R & D - 1977 - 1979

RESPONSIBILITIES: Supervised two technicians in the design, construction and implementation of new gymnastics equipment and weight machines from concept to production. Created specifications for manufacturing, installation and maintenance of equipment.

ACCOMPLISHMENTS: Achieved leadership position in cost reduction program. Designed and built equipment using original and patentable concepts. Nationally recognized gymnastics coach and as an expert on gymnastics equipment design.

ASSOCIATED ACTIVITIES

Member - Golf Digest Technical Panel - 1998 to Present Primary Delegate - Polyurethane Manufacturers Association - 1989 to 2000 Senior Member - Institute of Industrial Engineers (IIE) - 1988 - 1996 Institute of Industrial Engineers - Local Chapter President - 1988/89 IIE District Award Winner - Community Affairs Project - 1988 Member - American Society of Mechanical Engineers - 1999 to Present Certified Teacher - State of Massachusetts - Biology, Chemistry and English

REFERENCES

Will be supplied as requested.

ADDENDUM TO CV OF JOHN CALABRIA

Existing contracts for Double Eagle Consulting, LLC

TaylorMade-adidas Golf 100 Dunlop Drive Westminster, SC 29693

Consulting agreement for work on golf ball manufacturing processes, implementation of new golf ball products and rationalization of global supply chain

Bridgestone Sports Co. Ltd Omori Bellport E. Bldg 6-22-7 Minami-Oi, Shinagawa-ku Tokyo 140 Japan

Retainer agreement as an expert witness to assist with ongoing litigation.

FROM RICHARDS LAYTON & FINGER

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IN THE UNITED STATES DISTRICT COURT FOR THE DISTRICT OF DELAWARE

ACUSHNET COMPANY

Plaintiff,

٧.

Case No.: 98-717 (SLR)

DUNLOP MAXFLI SPORTS CORPORATION

Defendant.

DEFENDANT DUNLOP MAXFLI SPORTS CORPORATION'S OPENING BRIEF IN SUPPORT OF THEIR MOTION TO DISMISS PURSUANT TO RULE 12(b) (6)

Respectfully submitted,

FERRY & JOSEPH, P.A.

David J/ Ferry (#21/45

824 Market Street Suite 904

P.O. Box 1351

Wilmington, DE 19899

(302) 575-1555

OF COUNSEL:

Anthony M. Lorusso
Mark D. Lorusso
Donald J. Perreault
LORUSSO & LOUD
440 Commercial Street
Boston, MA 02109
(617) 227-0700

Geoffrey & Associates. This sole factual assertion is hardly sufficient to cover the elements of Acushnet's inducement to infringe charge. This assertion is simply insufficient to support Acushnet's inducement claim which should be dismissed.

Turning to the issue of direct infringement, rather than point out the features of Dunlop's alleged infringing golf balls that support Acushnet's claim, Acushnet relies on innocuous facts relating to the employment of one individual. The ultimate factual foundation of Acushnet's claim of infringement with respect to the '428 patent rests with the employment history of Mr. Calabria. Even granting Acushnet all reasonable inferences that could be derived from Mr. Calabria's employment history, e.g., that Mr. Calabria brought with him to Dunlop, the knowledge acquired at Acushnet and used that knowledge in conjunction with his work at Dunlop, such inferences do not sufficiently support Acushnet's infringement claim.

It is Dunlop's contention that such inferences, to the extent they can be made, are not warranted in light of the fact that Acushnet has been given intimate knowledge of Dunlop's polyurethane molding process. Armed with this knowledge, Acushnet has not even alleged a direct connection between Mr. Calabria's apparent knowledge about polyurethane golf ball cover technology and the alleged infringing products produced by Dunlop. Also absent are

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